

## BOARD'S REPORT

The Directors have pleasure in presenting their 30<sup>th</sup> Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March, 2016. The summarized financial results for the year are given below :

₹ in Lakhs

	Standalone		Consolidated	
	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Profit before Exceptional Items, Interest, Depreciation and Tax	<b>1,807.91</b>	1,774.59	<b>1,320.43</b>	1,204.18
Less: Exceptional Item	-	-	-	-
Profit before Interest, Depreciation and Tax	<b>1,807.91</b>	1,774.59	<b>1,320.43</b>	1,204.18
Less: Interest	<b>577.76</b>	516.68	<b>603.36</b>	563.04
Profit before Depreciation and Tax	<b>1,230.15</b>	1,257.91	<b>717.07</b>	641.12
Less: Depreciation	<b>418.14</b>	452.59	<b>568.30</b>	621.11
Net Profit before Taxes	<b>812.01</b>	805.32	<b>148.77</b>	20.01
Less: Taxation (Including Deferred Tax)	<b>252.98</b>	258.65	<b>222.15</b>	248.67
Net Profit After Tax before Transfer to Minority Interest	<b>559.03</b>	546.67	<b>(73.38)</b>	(228.66)
Less: Transfer to Minority Interest	-	-	<b>(94.52)</b>	(205.56)
Net Profit After Tax and Transfer to Minority Interest	<b>559.03</b>	546.67	<b>21.14</b>	(23.10)
Add: Brought forward from previous year	<b>3,642.61</b>	3,355.78	<b>2,356.42</b>	2,631.87
Balance Available for Appropriations	<b>4,201.64</b>	3,902.45	<b>2,377.66</b>	2,608.77
Appropriations:				
Adjustments relating to Fixed Assets	-	60.54	-	60.54
Transfer to General Reserve	<b>55.91</b>	54.67	<b>55.91</b>	54.67
Proposed Dividend	<b>120.17</b>	120.17	<b>120.17</b>	120.17
Dividend Distribution Tax	<b>24.46</b>	24.46	<b>24.46</b>	24.46
Foreign Currency Translation Reserve	-	-	<b>19.93</b>	(7.49)
Balance Carried over to Balance Sheet	<b>4,001.10</b>	3,642.61	<b>2,157.09</b>	2,356.42

### REVIEW OF FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS

#### STANDALONE

During the financial year 2015-16, your Company achieved an EBITDA of ₹ 1,807.91 lakhs (previous year ₹ 1,774.59 lakhs) resulting in a net profit of ₹ 559.03 lakhs (previous year ₹ 546.67 lakhs) on a turnover of ₹15,698.96 lakhs (previous year ₹16,854.97 lakhs). The dip in turnover during the year was mainly due to reduction in the trading of raw rubber.

#### CONSOLIDATED

The Company's consolidated EBITDA during the year under review was ₹ 1,320.43 lakhs (previous year ₹ 1,204.18 lakhs) resulting in a net profit (after transfer to Minority Interest) of ₹ 21.14 lakhs (as against net loss of ₹ 23.10 lakhs in the previous year) on a turnover of ₹17,499.82 lakhs (previous year ₹18,552.20 lakhs).

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**BOARD'S REPORT**
**DIVIDEND**

Your Directors are pleased to recommend payment of dividend of 35% i.e. ₹ 3.50 per Equity Share of ₹ 10 each for the Financial Year ended 31<sup>st</sup> March, 2016 (same as in the previous year). The dividend amount of ₹ 120.17 lakhs (same as in the previous year) together with dividend distribution tax of ₹ 24.46 lakhs (same as in the previous year) will absorb a sum of ₹ 144.63 lakhs (same as in the previous year).

**TRANSFER TO RESERVES**

Your Directors propose to transfer ₹ 55.91 lakhs to the General Reserve (i.e., 10% of Net Profit after Tax). Surplus retained after Appropriations amounts to ₹ 4,001.10 lakhs (₹ 3,642.61 lakhs).

**EMPLOYEES STOCK OPTION SCHEME**

Your Directors, at their meeting held on 30<sup>th</sup> May, 2016, granted 1,50,007 options to eligible employees under the Employee Stock Option Scheme, approved by the Members at the last Annual General Meeting.

**CREDIT RATING**

CRISIL has renewed the rating 5/5 (Fundamental Grade) and 3/5 (Current Market Price Grade) for the equity shares of the Company under SME IER.

The below table shows the SME IER rating assigned by CRISIL since May 2014:

Date	Nature of Report	Fundamental Grade	Current Market Price Grade (on the date of report)
09 <sup>th</sup> May, 2014	Detailed Report	5/5	3/5
27 <sup>th</sup> June, 2014	H2FY14 Result Update	5/5	3/5
08 <sup>th</sup> December, 2014	Detailed Report	5/5	4/5
13 <sup>th</sup> July, 2015	H2FY15 Result Update	5/5	3/5
5 <sup>th</sup> January, 2016	H1FY16 Result Update	5/5	3/5

Fundamentals Grading: 5/5 – Excellent Fundamentals

Valuation Grading: 3/5 – Align (+-10% from CMP)

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****ENVIRONMENT**

The current financial year (FY 2015-16) has been one of the toughest years for our industry in its history since the customers across all segments uniformly faced hostile environment.

Most of the projects in the core sector industries to which the Company caters, have been stalled. Commodity prices have fallen drastically across the globe. Steel sector, which is one of the key sectors catered by the Company, had faced severe pressure due to falling demands and increased dumping from China. Other clients in copper, coal, iron ore sectors also faced similar situation.

Given the headwinds in the seaborne market for iron ore, and the weak demand from domestic steel companies, NMDC Ltd. has continued to cut iron ore prices in Q3 FY16 as well, further revising down the price of lumps by 12% in October 2015, and again in December 2015, when lump prices were reduced by a sharper 16%. The December 2015 correction marks the 10<sup>th</sup> rate cut initiated by NMDC since November 2014, with prices of fines declining by 51% and lumps by 52% during the period.

The minimum import prices for steel announced by the Government in February 2016 is expected to give the much required boost to the steel sector to recuperate from the current fall.

Some of our key clients reduced their production levels and certain mining units were closed temporarily. This adversely affected our business volume and flow of our receivable as well.

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## BOARD'S REPORT

Internationally, the major Australian miners are undertaking cost cutting initiatives and weaker Australian dollar has created uncertainty in that region. The impact of current recession is also felt in Brazil and Chile.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Uncertain global economic conditions and problems in core sector in India had its impact in our domestic and international product sales. Due to decline in prices of crude oil and rubber, there is a pressure from the clients to reduce the current prices. This has adversely affected our service and sales turnover.

The Company has focussed its attention on value added products and has reduced the raw rubber trading activity during FY 2015-16 due to the steep fall in the prices of raw rubber. In line with economic slowdown, all the activities of the Company including manufacturing, services and Operation & Maintenance saw a marginal dip in terms of turnover in FY 15-16 compared to the previous year.

### COMPANY PERFORMANCE AND KEY DEVELOPMENTS

As the Members are aware, the Company is engaged in rubber and polyurethane based engineered products manufacturing, marketing and servicing activities, all under one roof. The services business caters to installation and maintenance of conveyor belts and allied services such as belt splicing, pulley lagging, belt reconditioning, rubber lining, etc. The products business centres around design, development, manufacture and supply of Rubber and Polyurethane based engineered products for belt cleaning, spillage control, flow enhancement, impact and abrasion protection and screening applications.

### STATUS OF UTILIZATION OF PROCEEDS RAISED FROM IPO

As on 31<sup>st</sup> March, 2016, the funds raised by the Company from IPO were utilized fully for the purposes stated in RHP as follows:

(₹ in lakhs)

Purpose	Amount Utilized
Setting up of Polyurethane Unit	68.28
Expansion of existing Manufacturing Unit	686.59
Setting up of in-house R&D Centre	283.06
Setting up of Lining Unit	169.04
Investment in Thejo Australia Pty Ltd	642.00
IPO Issue Expenses	218.68
General Corporate Purposes	33.01
Total	2,100.66

### RESEARCH AND DEVELOPMENT

The approval of Department of Scientific and Industrial Research for the R&D Centre was renewed during 2016. The R&D Centre is focussing on developing new and innovative products as well as bringing continuous improvement of existing products so as to meet the needs of the customers and to tap new markets. The sustained efforts of Research and Development team helped the Company to develop diverse product ranges under varied conditions such as mill liners, and high tension belt splicing compounds capable of withstanding some of the hardest working conditions in leading mines.

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**BOARD'S REPORT****SAFETY**

As part of its policy of giving utmost importance to safety, the Safety Department of your Company is continuously evaluating every process at its manufacturing as well as work sites, and taking necessary steps for the safety of personnel as well as of properties. The Company conducts safety review on regular basis and takes appropriate steps based on the findings.

**OPPORTUNITIES AND THREATS****OPPORTUNITIES**

The products as well as services offerings of the Company are intended for the core sector industries. The opportunities for the industry in which the Company operates are intertwined with the opportunities for core sector industries.

Despite the current sluggishness in the domestic core sector, the prospects of the core sector industries are expected to be bright in the medium term. Moreover, the Company's portfolio includes installation and maintenance services and products catering to both the categories. As a result, even during the period of sluggishness, any loss of business in installation-related work is expected to be compensated to a fair extent by increased maintenance works as the maintenance of existing systems would be given due importance during periods of slowdown.

The Company has started its Operations & Maintenance Division under which it offers comprehensive services. Despite the dip in turnover during FY 2015-16, there is a perceptible momentum in favour of the concept of Operations & Maintenance and the market is expected to grow exponentially. The Company expects to tap a sizeable portion of the increasing demand for Operations & Maintenance Services.

On the export front, the Company has explored International Markets and has accordingly set up its branch office in Perth, Australia and subsidiaries in Brazil and Chile. It takes considerable time to achieve breakthrough in these markets and we expect good business and returns from them in the medium term.

**THREATS**

There are only limited number of organized players in the service segment in which the Company operates. However, competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition from organized segment especially during times of cyclical downturn.

Policy change in respect of core sector industries will have direct impact on the business of the Company as it primarily caters to core sector industries in the domestic market.

The prices of most of the raw materials used by the Company are highly volatile. The volatility is expected to continue in the near future as well. The Company is mitigating this risk by framing appropriate procurement and pricing policies.

**FUTURE OUTLOOK**

The policy framework formulated by the new Government during last year is expected to create a conducive environment for the growth of commerce and industry in our country. However, speedy and successful implementation of key components such as GST, Land Acquisition Amendment Bill, Labour Code on Industrial Relations Bill, etc will determine the pace at which the impact will be felt at the grass root level.

**FINANCIAL PERFORMANCE**

The financial performance of the Company in the year under review has remained in line with the previous year but for the fall in turnover on account of the conscious decision taken to slow down trading in raw rubber. While the manufacturing division has maintained the turnover, the Services Division saw a fall of

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**BOARD'S REPORT**

about 6% and Trading Division about 33% in terms of turnover. Export has shown a growth of about 61% on product front compared to the previous year. Your Company is expanding its business in overseas markets through its subsidiaries and branch, which is expected to improve the export turnover further.

The production of moulded and extruded rubber products was 1,062 tonnes during 2015-16, registering a negative growth of 2.66% over the previous year (1,091 tonnes). The production of adhesives during the year under review was 262 tonnes, showing a negative growth of 4% over the previous year (273 tonnes).

**SEGMENT WISE PERFORMANCE**

Your Company has 3 segments of revenue – Manufacturing Units, Service Units, and Others. Audited financial results of these segments are furnished in Note 25.4 forming part of the Financial Statements.

**RISK AND CONCERNS**

The Company has put in place Risk Management Policy and Procedures for identification, assessment, management, monitoring and minimization of risks. It has identified potential risks under various categories like Business Dynamics, Operations, Liquidity, Market/Industry, Human Resources, Systems and Disaster Management. The Company is periodically reviewing the risks and their identification, assessment, monitoring and mitigation procedures. It does not perceive any major technological, operational, financial or environmental risks in the near future.

However, continuing uncertainty in domestic and global markets, constraints in infrastructure, recent developments in the price of gold and iron ore adversely affecting gold and iron ore mining activities across the globe and latest developments in global mining activities are causes for concern in the near/medium future.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has adequate internal control systems combined with Delegation of Powers and periodical review of the process. The control system is also supported by internal audits and management reviews of documented policies and procedures.

**DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

During the year, the Company, as part of on-going exercise in skill upgradation, deputed different classes of its employees to programmes and seminars which would help them to add to their professional knowledge and skills. The Company has also conducted in-house skill development programme for workers in association with National Skill Development Corporation of India.

In order to increase the linear relationship between performance and reward, increments / incentives and ESOP are being provided based on performance. The Company continued to identify and implement initiatives which enhance productivity and efficiency.

**CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's views about the Industry, objectives and expectations, etc. may be considered as 'forward looking statements.' The Company has tried to identify such statements by using words such as 'expect', 'anticipate', 'hope', 'likely', 'plan', 'projected', 'believe', etc. While making these statements, the Management has made certain assumptions which it believes are prudent. There is no guarantee that the assumptions would prove to be accurate. Actual results may differ substantially or materially from those expressed or implied in the statement. The Company undertakes no obligation to update any of the forward looking statements, whether as a result of any future events, change in assumptions or for any other reason, whatsoever. The forward looking statements are purely intended to put certain things in perspective based on the assumptions and estimates of the

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**BOARD'S REPORT**

Management and in no way solicit investment. Members and others are requested to make their own judgment before taking any decision to invest in the shares of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses were observed.

**SUBSIDIARY COMPANIES**

As on date of this Report, the Company has four subsidiaries, namely, Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (Thejo Hatcon) with 51% shareholding, Thejo Australia Pty Ltd., Australia (Thejo Australia) with 74% shareholding, Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brasil) with 99.99% shareholding and Thejo Engineering LatinoAmerica SpA, Chile (Thejo Chile) with 99.62% shareholding.

The Audited Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 are annexed to the Financial Statements. These Statements have been prepared as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

**PERFORMANCE OF SUBSIDIARY COMPANIES**

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is engaged primarily in rubber lining and related industrial services activities. During the period 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, Thejo Hatcon achieved a turnover of SAR 2.42 million (₹ 415.48 lakhs) with a loss of SAR 0.90 million (₹ 149.66 lakhs). During the year, Thejo Hatcon has bagged an order for SAR 2.9 million from M/s Cleveland, which would be executed in FY 2016-17.

Thejo Australia Pty Ltd (Thejo Australia) is a servicing Company, primarily engaged in belt splicing, belt jointing and related activities. During the period 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, Thejo Australia achieved a turnover of AUD 3.60 million (₹ 1,771.63 lakhs) with a loss of AUD 0.53 million (₹ 239.57 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is primarily engaged in selling of bulk material handling products. During the period 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, Thejo Brasil achieved a turnover of BRL 0.13 million (₹ 24.76 lakhs) and it incurred a loss of BRL 0.25 million (₹ 48.32 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling bulk material handling products. During the period 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 Thejo Chile achieved a turnover of USD 0.07 million (₹ 44.54 lakhs) and had incurred a loss of USD 0.33 million (₹ 211.56 lakhs).

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Sub-section 3(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in Annexure 1 forming part of the Board's Report.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Your Directors have constituted a Corporate Social Responsibility Committee (CSR Committee) comprising Mr. K.J. Joseph, Mr. Thomas John, Mr. V.A. George and Mr. V.K. Srivastava as Members.

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the

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**BOARD'S REPORT**

Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR Policy is provided in the Corporate Governance Report.

During the year 2015-16, the Company was required to incur CSR expenditure of ₹ 23.74 lakhs being 2% of the average net profits for the immediately preceding three financial years. In compliance with this requirement, the Company spent ₹ 24.18 lakhs on the eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. A brief outline of the Company's CSR Policy and Projects undertaken are given in Annexure 2 to Board's Report.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure 3 forming part of the Board's Report.

**NUMBER OF MEETINGS OF BOARD**

The Board of Directors met five times during the Financial Year 2015-16. Further details are given in the Corporate Governance Report forming part of the Board's Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section 3 of Section 178 of the Companies Act, 2013, adopted by the Board of Directors is given in the Corporate Governance Report forming part of the Board's Report.

**AUDITORS' REPORT**

The Auditors' Report for the year ended 31<sup>st</sup> March, 2016 does not contain any qualification.

**AUDITORS**

M/s. Joseph & Rajaram, Chartered Accountants, Chennai, retire at ensuing Annual General Meeting and are eligible for re-appointment.

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**BOARD'S REPORT**
**SECRETARIAL AUDIT**

The Board appointed Mr. G. Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year is attached as Annexure 4 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Full particulars of Loans given, Investments made and Guarantees given which are required to be disclosed under Section 186 (4) of the Companies Act, 2013 are given in Annexure 5 forming part of the Board's Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties required to be given under Section 188 (2) of the Companies Act, 2013, in Form No. AOC-2, are set out in Annexure 6 forming part of the Board's Report.

**COMMITTEES OF THE BOARD**

Currently, the Company has four Committees of the Board of Directors, namely the Audit Committee, Compensation / Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Shareholders' and Investors' Grievance Committee. The terms of reference of the Committees are provided in the Corporate Governance Report forming part of the Boards' Report. The composition of the Committees is as follows:

<b>Name of the Committee</b>	<b>Composition of the Committee</b>	<b>Status</b>
Audit Committee	Mr. M P Vijay Kumar	Independent Director, Chairman
	Mr. N Ganga Ram	Independent Director, Member
	Mr. A Satyaseelan	Independent Director, Member
Compensation / Nomination and Remuneration Committee	Mr. N Ganga Ram	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. M P Vijay Kumar	Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava	Independent Director, Chairman
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member
	Mr. V A George	Managing Director, Member
Shareholders' and Investors' Grievance Committee	Dr. C N Ramchand	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member

All the recommendations made by the Audit Committee were accepted by the Board of Directors, without any exception.

**VIGIL MECHANISM**

The Company has put in place Whistle Blower Policy and established the requisite Vigil Mechanism for employees and Directors for reporting concerns about unethical behaviour, actual or suspected fraud or violation of law to a designated Committee. The Committee consists of Mr. M.D. Ravikanth, Chief Financial

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**BOARD'S REPORT**

Officer & Secretary, Mr. S. Premjit - Head EMD & Mr. Thomas K Abraham – Head HR & Admin. This mechanism also provides for adequate safeguards against victimisation of reporting employees. The Policy has been disseminated to all the employees through display on Notice Board and the Company's website.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

On the recommendation of the Compensation / Nomination and Remuneration Committee, Mr. Rajesh John (DIN 05161087) was reappointed by the Board as Whole-time Director for a period of five years with effect from 16<sup>th</sup> January, 2017, subject to the approval of the Members at the ensuing Annual General Meeting *vide* Item 6 of the Notice dated 30<sup>th</sup> May, 2016 convening the ensuing Annual General Meeting. None of the Company's Directors have any family relationship with him, save and except that Mr. Thomas John and Mr. Rajesh John are related as father and son.

Mr. Thomas John (DIN 00435035), Vice Chairman, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. V.A. George (DIN 01493737), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of these Directors together with related information is given in the Notice convening the ensuing Annual General Meeting. The Board recommends their appointment / re-appointment as Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

None of the Independent Directors will retire by rotation at the ensuing Annual General Meeting.

**BOARD EVALUATION**

A formal annual evaluation is required to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the Board of Directors, excluding the Director being evaluated.

Accordingly, the performance evaluation was done by the Board of Directors during the year under review. Similarly, the performance of the Non-Independent Directors and of the Board as a whole was evaluated by the Independent Directors at a separate Meeting held by them. The evaluation of all the Directors made was on the basis of the criteria and framework adopted by the Compensation / Nomination and Remuneration Committee.

**PERSONNEL**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is attached as Annexure 7a to the Board's Report.

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure 7b to the Board's Report.

**CORPORATE GOVERNANCE**

Your Company has voluntarily complied with the requirements of Corporate Governance to the maximum extent possible. A report on Corporate Governance is attached as Annexure 8 to the Board's Report.

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**BOARD'S REPORT**

**GENERAL**

Your Directors state that there were no transactions in respect of the following items during the year under review requiring disclosure or reporting:

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
5. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENT**

The Directors wish to thank the Company's Bankers for their continued support. The Directors also wish to thank the Company's customers and stakeholders for their patronage.

Your Directors place on record their appreciation of the good work done by the employees of the Company at all levels.

For and on behalf of the Board

Place : Chennai  
Date : 30<sup>th</sup> May, 2016

K J JOSEPH  
Chairman  
DIN 00434410

THOMAS JOHN  
Vice Chairman  
DIN 00435035

V.A. GEORGE  
Managing Director  
DIN 01493737

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 1 TO BOARD'S REPORT**

*[Particulars pursuant to the Companies (Accounts) Rules, 2014]*

**A) CONSERVATION OF ENERGY****i. Steps taken or impact on Conservation of Energy**

- Ensuring optimum utilisation of energy and maximum possible savings of energy.
- Avoiding any known wastages of energy by monitoring and reviewing energy usage.

**ii. Steps taken by the Company for utilising alternate sources of energy**

- Improved efficiency by use of diesel generator in case of emergency and as stand-by.
- The Manufacturing Units utilised about 23% of the energy requirement from Wind Energy.

**iii. Capital Investments on energy conservation equipment**

During the Financial Year, your Company has not invested on any energy conservation equipment.

**B) TECHNOLOGY ABSORPTION**

a) The Company has not absorbed any new technology during the Financial Year.

**b) Specific areas in which R&D carried out by the company.**

- Development of new innovative products.
- Evaluation and usage of new raw materials.
- Development of methods to achieve uniformity and consistency in product quality and performance by improved process controls.
- Productivity improvement and methods for reduction in energy consumption.

**c) Benefits derived as a result of R&D**

- Meeting the ever-changing product performance requirements of the market by developing suitable products to cater to these stringent requirements on a continuous basis.
- Improving the field service performance of existing products to surpass the quality of competitive products.
- Evaluating new and innovative raw materials for possible adoption and incorporation into the relevant products.
- Introduction of new methods and systems for improved productivity and reduction in energy consumption.

**d) Expenditure on R&D**

₹ in lakhs

<b>Particulars</b>	<b>2015-16</b>
Capital	0.20
Revenue (excluding depreciation)	88.12
Total	88.32
Total R&D expenditure as a % of total turnover	0.56%

## ANNEXURE TO BOARD'S REPORT

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

## a) Payments in foreign currency towards Imports

₹ in lakhs

Imports at CIF Value	2015-16	2014-15
Raw Materials and Traded Goods	400.73	318.80
Capital Goods	18.54	-

## b) Payments in foreign currency towards Expenditure

₹ in lakhs

Expenditure in foreign currency	2015-16	2014-15
Professional and consultation fees	8.77	245.66
Foreign Tour	3.75	13.74
Salaries & Incentives of Perth Branch	175.91	131.54
Other Expenditure of Perth Branch	164.40	154.99
Others	37.08	4.94

## c) Earnings in foreign currency on Accrual basis

₹ in lakhs

Earnings in foreign currency	2015-16	2014-15
Exports – Products	1659.91	1,032.86
Exports – Services	4.50	7.70

## d) Net Gain or Loss on Foreign Currency Translation

₹ in lakhs

Description	2015-16	2014-15
Profit / (Loss) on Foreign Currency Translation	23.60	(47.71)

**ANNEXURE 2 TO BOARD'S REPORT**

[Pursuant to Section 135 of the Companies Act, 2013]

**Brief outline of the Company's CSR policy, projects and programs undertaken with web-link:**

Thejo in its continuous efforts to positively impact the society, especially in the areas around its factories and sites, has formulated CSR policy for social development based on the following guiding principles:

- ✓ To help enrich the quality of life of the community of the nearby areas.
- ✓ To create a positive impact by making sustainable developments in the society and promote good environmental practices.
- ✓ To be responsible and responsive corporate citizen through endeavours to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- ✓ To maintain commitment to quality, health, education and safety in every aspect of the business and people.
- ✓ To promote equality of opportunity and diversity of workforce through its business operations.

Visit <http://thejo-engg.com/invest/CSR%20Policy.pdf> for more details related to our CSR Policy.

The details of CSR activities undertaken by the Company are available in our web link <http://www.thejo-engg.com/invest/CSR%20Activity%202015-16.pdf>.

## ANNEXURE TO BOARD'S REPORT

**Composition of CSR Committee:**

Our CSR Committee consists of Mr. V.K. Srivastava, Chairman, Mr. K.J. Joseph, Mr. Thomas John and Mr. V.A. George, Members.

**Average Net Profits of the Company for the last three Financial Years: ₹ 1,186.86 lakhs**

**Prescribed CSR Expenditure (2% of the above amount): ₹ 23.74 lakhs**

**Details of CSR spend during the Financial Year**

- a) Total amount to be spent for the Financial Year : ₹ 23.74 lakhs  
 b) Amount spent : ₹ 24.18 lakhs  
 c) Amount unspent, if any : Nil

The manner in which the amount was spent during the Financial Year is detailed below : ₹ in lakhs

CSR Project/ activity/ beneficiary	Sector	Location of the project/ program	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly / implementing agency
Government Primary School	Education	Alinjivakkam	0.29	0.29	0.29	Directly
Government High School	Education	Jaganathapuram	6.04	6.04	6.04	Directly
Government Kindergarten School	Education	MGR Nagar	0.09	0.09	0.09	Directly
Government Primary School & Library	Education	Jaganathapuram	0.17	0.17	0.17	Directly
National Relief Fund	Contribution	Prime Minister's National Relief Fund	1.35	1.35	1.35	Directly
Rehabilitation during flood relief	Disaster Relief	Chennai	1.16	1.16	1.16	Directly
Sponsoring Education Fee	Education	Chennai	0.42	0.42	0.42	Directly
Sri Ramachandra University	Sports Facility	Chennai	7.50	7.50	7.50	Directly
The Akshaya Patra Foundation	Malnutrition and hunger eradication	Chennai	5.00	5.00	5.00	Directly
Vidya Sagar	Education	Chennai	1.00	1.00	1.00	Directly
Vrindavan Nagar, Alinjivakkam	Rural Development/ Sanitation	Chennai	1.16	1.16	1.16	Directly
<b>Total</b>			<b>24.18</b>	<b>24.18</b>	<b>24.18</b>	

**Responsibility Statement**

The responsibility statement of CSR Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with the CSR Objectives and Policy of the Company".

Place: Chennai  
Date : 30<sup>th</sup> May, 2016

V.A. GEORGE  
Managing Director  
DIN 01493737

V.K. SRIVASTAVA  
Chairman of CSR Committee  
DIN 00611678

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 3 TO BOARD'S REPORT**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**as on the Financial Year ended on 31<sup>st</sup> March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L27209TN1986PLC012833
ii.	Registration Date	26 <sup>th</sup> March, 1986
iii.	Name of the Company	Thejo Engineering Limited
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Aysha Building, No. 41, Whites Road, Chennai – 600 014, Tamil Nadu, India Tel: +91 44 42221900 Fax: +91 44 42221910
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel:+91 44 28460390 Fax:+91 44 28460129

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The business activities contributing 10% or more of the total turnover of the Company are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Maintenance & Repair Services	3312 / 3319	51.52%
2	Other Rubber Products	2219	15.92%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Thejo Hatcon Industrial Services Company	P.O. Box No. 991, Alkhobar 31952, Kingdom of Saudi Arabia.	N.A	Subsidiary	51	2(87)
2	Thejo Australia Pty Ltd	No. 5, Kalmia Road, Bibra Lake, WA - 6163.	N.A	Subsidiary	74	2(87)
3	Thejo Brasil Comercio E Servicos Ltda	AV Brasil, 839, Sala:4, Vinhedo, CEP 13280-000, SP, Brasil.	N.A	Subsidiary	99.99	2(87)
4	Thejo Engineering LatinoAmerica SpA	Hernando de Aguirre 128, Providencia, Santiago de Chile.	N.A	Subsidiary	99.62	2(87)

ANNEXURE TO BOARD'S REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2016)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	18,23,080	1,42,160	19,65,240	57.24	19,65,240	-	19,65,240	57.24	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1)</b>	<b>18,23,080</b>	<b>1,42,160</b>	<b>19,65,240</b>	<b>57.24</b>	<b>19,65,240</b>	<b>-</b>	<b>19,65,240</b>	<b>57.24</b>	<b>-</b>
(2)	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>18,23,080</b>	<b>1,42,160</b>	<b>19,65,240</b>	<b>57.24</b>	<b>19,65,240</b>	<b>-</b>	<b>19,65,240</b>	<b>57.24</b>	<b>-</b>
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	5,65,472	-	5,65,472	16.47	5,65,472	-	5,65,472	16.47	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	2,25,600	-	2,25,600	6.57	2,02,200	-	2,02,200	5.89	(0.68)
	<b>Sub-total (B)(1)</b>	<b>7,91,072</b>	<b>-</b>	<b>7,91,072</b>	<b>23.04</b>	<b>7,67,672</b>	<b>-</b>	<b>7,67,672</b>	<b>22.36</b>	<b>(0.68)</b>

## ANNEXURE TO BOARD'S REPORT

i. *Category-wise Share Holding - (Contd.)*

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2016)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	45,000	-	45,000	1.31	39,000	-	39,000	1.14	(0.17)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,62,550	2,000	1,64,550	4.79	1,66,750	2,000	1,68,750	4.91	0.12
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,74,880	1,80,760	4,55,640	13.27	3,63,960	1,18,680	4,82,640	14.06	0.79
c)	Others (specify)									
i)	Clearing Members	-	-	-	-	-	-	-	-	-
ii)	Hindu Undivided Family	10,850	-	10,850	0.32	9,050	-	9,050	0.26	(0.06)
iii)	Non-resident Indians	1,200	-	1,200	0.03	1,200	-	1,200	0.03	-
	<b>Sub-total (B)(2)</b>	<b>4,94,480</b>	<b>1,82,760</b>	<b>6,77,240</b>	<b>19.72</b>	<b>5,79,960</b>	<b>1,20,680</b>	<b>7,00,640</b>	<b>20.40</b>	<b>0.68</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>12,85,552</b>	<b>1,82,760</b>	<b>14,68,312</b>	<b>42.76</b>	<b>13,47,632</b>	<b>1,20,680</b>	<b>14,68,312</b>	<b>42.76</b>	<b>-</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>31,08,632</b>	<b>3,24,920</b>	<b>34,33,552</b>	<b>100</b>	<b>33,12,872</b>	<b>1,20,680</b>	<b>34,33,552</b>	<b>100</b>	<b>-</b>



## ANNEXURE TO BOARD'S REPORT

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2016)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1	Mr. K. J. Joseph	3,55,380	10.35	-	3,55,380	10.35	-	-
2	Mr. Thomas John	4,75,660	13.85	-	4,75,660	13.85	-	-
3	Mr. Manoj Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
4	Mr. Rajesh John	1,50,540	4.38	-	1,50,540	4.38	-	-
5	Mrs. Rosamma Joseph	93,240	2.72	-	93,240	2.72	-	-
6	Mrs. Celinamma John	84,400	2.46	-	84,400	2.46	-	-
7	Mr. Manesh Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
8	Mrs. Meena Kavil	1,42,160	4.14	-	1,42,160	4.14	-	-
9	Mrs. Maya Philip	1,54,020	4.49	-	1,54,020	4.49	-	-
10	Mrs. Rithu Johnson	87,600	2.55	-	87,600	2.55	-	-
11	Mr. Sebastian Thomas	88,520	2.58	-	88,520	2.58	-	-
12	Mrs. Rosamma Joseph	2,000	0.06	-	2,000	0.06	-	-

## iii. Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	19,65,240	57.24	19,65,240	57.24
Changes in Promoters Shareholding during the year	-	-	19,65,240	57.24
At the end of the year	19,65,240	57.24	19,65,240	57.24

**ANNEXURE TO BOARD'S REPORT**

iv. *Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	M/s. SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND				
	At the beginning of the year	3,17,072	9.23	3,17,072	9.23
	Changes in Shareholding during the year	-	-	3,17,072	9.23
	At the end of the year	3,17,072	9.23	3,17,072	9.23
2	M/s. EMERGING INDIA GROWTH FUND CVCF V				
	At the beginning of the year	2,48,400	7.23	2,48,400	7.23
	Changes in Shareholding during the year	-	-	2,48,400	7.23
	At the end of the year	2,48,400	7.23	2,48,400	7.23
3	M/s. IDBI CAP MKT SERV LTD				
	At the beginning of the year	2,25,600	6.57	2,25,600	6.57
	Transaction (Net of purchase / (sale)) during the year	(23,400)	(0.68)	2,02,200	5.89
	At the end of the year	2,02,200	5.89	2,02,200	5.89
4	Mr. S.P. GEORGE				
	At the beginning of the year	1,24,000	3.61	1,24,000	3.61
	Changes in Shareholding during the year	-	-	1,24,000	3.61
	At the end of the year	1,24,000	3.61	1,24,000	3.61
5	Mr. ANAND T. PETHE				
	At the beginning of the year	62,420	1.82	62,420	1.82
	Changes in Shareholding during the year	-	-	62,420	1.82
	At the end of the year	62,420	1.82	62,420	1.82
6	Mr. O.J. LUKOSE				
	At the beginning of the year	62,080	1.81	62,080	1.81
	Changes in Shareholding during the year	-	-	62,080	1.81
	At the end of the year	62,080	1.81	62,080	1.81

**ANNEXURE TO BOARD'S REPORT**

iv. *Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - (Contd.)*

Sl. No.	Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Mr. JOSE KOZHIPAT				
	At the beginning of the year	43,140	1.26	43,140	1.26
	Changes in Shareholding during the year	-	-	43,140	1.26
	At the end of the year	43,140	1.26	43,140	1.26
8	M/s. N R GOLD PRIVATE LTD.				
	At the beginning of the year	37,200	1.08	37,200	1.08
	Transaction (Net of purchase / (sale)) during the year	(2,400)	(0.07)	34,800	1.01
	At the end of the year	34,800	1.01	34,800	1.01
9	Mrs. JYOTI ANAND PETHE				
	At the beginning of the year	32,160	0.94	32,160	0.94
	Changes in Shareholding during the year	-	-	32,160	0.94
	At the end of the year	32,160	0.94	32,160	0.94
10	Mrs. SUMY JOHN				
	At the beginning of the year	25,540	0.74	25,540	0.74
	Changes in Shareholding during the year	-	-	25,540	0.74
	At the end of the year	25,540	0.74	25,540	0.74

v. *Shareholding of Directors and Key Managerial Personnel*

Sl. No.	Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. K.J. JOSEPH CHAIRMAN				
	At the beginning of the year	3,55,380	10.35	3,55,380	10.35
	Changes in Shareholding during the year	-	-	3,55,380	10.35
	At the end of the year	3,55,380	10.35	3,55,380	10.35
2	Mr. THOMAS JOHN VICE CHAIRMAN				
	At the beginning of the year	4,75,660	13.85	4,75,660	13.85
	Changes in Shareholding during the year	-	-	4,75,660	13.85
	At the end of the year	4,75,660	13.85	4,75,660	13.85

## ANNEXURE TO BOARD'S REPORT

## v. Shareholding of Directors and Key Managerial Personnel - (Contd.)

Sl. No.	Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. V.A. GEORGE MANAGING DIRECTOR				
	At the beginning of the year	50,000	1.46	50,000	1.46
	Changes in Shareholding during the year	-	-	50,000	1.46
	At the end of the year	50,000	1.46	50,000	1.46
4	Mr. MANOJ JOSEPH EXECUTIVE DIRECTOR				
	At the beginning of the year	1,65,860	4.83	1,65,860	4.83
	Changes in Shareholding during the year	-	-	1,65,860	4.83
	At the end of the year	1,65,860	4.83	1,65,860	4.83
5	Mr. RAJESH JOHN EXECUTIVE DIRECTOR				
	At the beginning of the year	1,50,540	4.38	1,50,540	4.38
	Changes in Shareholding during the year	-	-	1,50,540	4.38
	At the end of the year	1,50,540	4.38	1,50,540	4.38

The following directors / key managerial personnel (KMP) did not hold any shares during the Financial Year 2015 -16 :

- Mr. N. Ganga Ram – Director
- Mr. V.K. Srivastava – Director
- Mr. A. Satyaseelan – Director
- Mr. M.P. Vijay Kumar – Director
- Dr. C.N. Ramchand – Director
- Mrs. Sujatha Jayarajan – Director
- Mr. M.D. Ravikanth – CFO & Secretary

## ANNEXURE TO BOARD'S REPORT

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year (01<sup>st</sup> April, 2015)</b>				
i) Principal Amount	3,618.42	-	-	3,618.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.31	-	-	6.31
<b>Total (i+ii+iii)</b>	<b>3,624.73</b>	<b>-</b>	<b>-</b>	<b>3,624.73</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	2,310.13	-	-	2,310.13
• Reduction	2,042.08	-	-	2,042.08
<b>Net Change</b>	<b>268.05</b>	<b>-</b>	<b>-</b>	<b>268.05</b>
<b>Indebtedness at the end of the Financial Year (31<sup>st</sup> March, 2016)</b>				
i) Principal Amount	3,882.15	-	-	3,882.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.63	-	-	10.63
<b>Total (i+ii+iii)</b>	<b>3,892.78</b>	<b>-</b>	<b>-</b>	<b>3,892.78</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. V.A. George	Mr. Manoj Joseph	Mr. Rajesh John	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.00	28.11	19.19	89.30
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, Retiral benefits	-	5.72	3.97	9.69
	<b>Total (A)</b>	<b>42.00</b>	<b>33.83</b>	<b>23.16</b>	<b>98.99</b>
	Remuneration excluding retiral benefits				89.30
	Ceiling as per the Act				90.00

## ANNEXURE TO BOARD'S REPORT

## B. Remuneration to other Directors:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. K.J. Joseph	Mr. Thomas John	Mr. N. Ganga Ram	Mr. V.K. Srivastava	Mr. A. Satyaseelan	Mr. M.P. Vijay Kumar	Dr. C.N. Ramchand	Mrs. Sujatha Jayarajan	
<b>1</b>	<b>Independent Directors</b>									
	Fee for attending board / committee meetings	-	-	2.00	1.00	1.90	2.00	1.20	0.60	8.70
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>2.00</b>	<b>1.00</b>	<b>1.90</b>	<b>2.00</b>	<b>1.20</b>	<b>0.60</b>	<b>8.70</b>
<b>2</b>	<b>Other Non-Executive Directors</b>									
	Fee for attending board / committee meetings	1.20	1.50	-	-	-	-	-	-	2.70
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>1.20</b>	<b>1.50</b>	-	-	-	-	-	-	<b>2.70</b>
	<b>Total (B)=(1+2)</b>	<b>1.20</b>	<b>1.50</b>	<b>2.00</b>	<b>1.00</b>	<b>1.90</b>	<b>2.00</b>	<b>1.20</b>	<b>0.60</b>	<b>11.40</b>
	<b>Total Managerial Remuneration<sup>1</sup></b>									<b>98.99</b>
	Overall Ceilings as per the Act									99

1. Pursuant to Section 197(2) of the Companies Act, 2013, the Sitting Fees paid to the Directors were excluded from the total managerial remuneration.

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

₹ in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. M.D. Ravikanth, CFO & Secretary	
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18.26	18.26
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, Retiral benefits	2.73	2.73
	<b>Total (A)</b>	<b>20.99</b>	<b>20.99</b>

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31<sup>st</sup> March, 2016.

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**ANNEXURE TO BOARD'S REPORT**

**ANNEXURE 4 TO BOARD'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31/03/2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
THEJO ENGINEERING LIMITED

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by M/s. THEJO ENGINEERING LIMITED [CIN:L27209TN1986PLC012833] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. THEJO ENGINEERING LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31/03/2016 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. THEJO ENGINEERING LIMITED for the financial year ended on 31/03/2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;  
The Company has duly complied with the procedure laid under the Companies Act 1956 / 2013, forms, returns in this connection have been duly filed, there are no adverse remarks or qualification in this aspect.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - (e) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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**ANNEXURE TO BOARD'S REPORT**

(vi) As informed to me the following other Laws specifically applicable to the Company as under:

1. Factories Act, 1948
2. Industrial dispute Act, 1947
3. Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. Shop & Establishment Act, 1948
9. The Payment of Bonus Act, 1965
10. The Payment of Gratuity Act, 1972
11. The Contract Labour (Regulation and Abolition) Act, 1970
12. The Maternity Benefit Act, 1961
13. The Child Labour Prohibition and Regulation Act, 1986
14. The Industrial Employment (Standing Order) Act, 1946
15. The Employee Compensation Act, 1923
16. The Apprentices Act, 1961

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SME Listing Agreement & the Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The Company has duly complied with the various provisions contained in the Act and there are no remarks as on date of issue of the report.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, One Women Director on the Board are properly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the Companies affairs.

Place : Chennai  
Date : 30/05/2016

Name : G. PORSELVAM  
C P No. : 3187



## ANNEXURE TO BOARD'S REPORT

**ANNEXURE 5 TO BOARD'S REPORT**

[Pursuant to Section 186 of the Companies Act, 2013]

**DETAILS OF LOANS GIVEN, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**

The particulars of loan given as at 31<sup>st</sup> March, 2016 are as follows: ₹ in lakhs

Name of the Company	As at 31 <sup>st</sup> March, 2016	Purpose
Thejo Australia Pty Ltd, Australia	494.93	Working Capital Requirement
Thejo Hatcon Industrial Services Company, Saudi Arabia	209.39	Working Capital Requirement

The details of investments made during the Financial Year are as follows: ₹ in lakhs

Name of the Company and Country	During FY 15-16	As at 31 <sup>st</sup> March, 2016
Thejo Hatcon Industrial Services Company, Saudi Arabia	0.00	333.72
Thejo Australia Pty Ltd, Australia	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	32.77	64.17
Thejo Engineering LatinoAmerica SpA, Chile	223.90	261.52

The details of guarantee given during the Financial Year are as follows:

Name of the Company	As at 31 <sup>st</sup> March, 2016	Purpose
Thejo Australia Pty Ltd, Australia	Upto USD 10,00,000	An irrevocable and unconditional corporate guarantee given in favour of Exim Bank towards Buyers Credit facility extended to Thejo Australia Pty Ltd for purchase of capital equipment. (Outstanding as on 31/3/2016 – USD 75009/-)

The Company has created a *pari passu* first charge on the fixed assets and second *pari passu* charge over entire current assets including receivables in favour of Exim Bank.

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 6 TO BOARD'S REPORT**

*[Pursuant to Clause (h) of Sub-section (3) of Section 134 and Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]*

The particulars of Contracts or arrangements entered into by the Company with related parties under Section 188 of the Companies Act, 2013, are as follows:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements entered into by the Company with the related parties during the Financial Year 2015-16, which were not at arm's length.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis during the Financial Year 2015-16, are as follows: ₹ in lakhs

Name of related Party	Nature of relationship	Duration	Nature of Contract & Salient Terms, if any	Amount
Thejo Hatcon Industrial Services Company, Saudi Arabia	Subsidiary	Based on Orders	Sale of Products net of collections	(90.03)
		Based on requirement	Loan	209.39
		Till repayment of loan	Interest Received	1.11
Thejo Australia Pty Ltd, Australia	Subsidiary	Based on Orders	Sale of Products/ Service net of purchase/ collections	43.28
		Based on requirement	Loan	316.56
		Till repayment of loan	Interest Received	30.07
Thejo Brasil Comercio E Servicos Ltda, Brazil	Subsidiary	Not Applicable	Investments	32.77
		Based on Orders	Sale of Products	22.70
Thejo Engineering LatinoAmerica SpA, Chile	Subsidiary	Not Applicable	Investments	223.90
		Based on Orders	Sale of Products	67.48
Mr. V. A. George, Managing Director	Key Managerial Personnel	14 <sup>th</sup> July, 2018	Remuneration	42.00
Mr. Manoj Joseph	Executive Director	19 <sup>th</sup> June, 2020	Remuneration	33.83
Mr. Rajesh John	Executive Director	15 <sup>th</sup> January, 2017	Remuneration	23.16
Mr. M. D. Ravikanth, CFO & Secretary	Key Managerial Personnel	Not Applicable	Remuneration	20.99
Mrs. Rosamma Joseph	Relative of Director	Not Applicable	Remuneration	12.09
Mrs. Celinamma John	Relative of Director	Not Applicable	Remuneration	11.95
Mr. Manesh Joseph	Relative of Director	Not Applicable	Remuneration	17.96

For and on behalf of the Board

Place : Chennai  
Date : 30<sup>th</sup> May, 2016

THOMAS JOHN      V.A. GEORGE  
Vice Chairman      Managing Director  
DIN 00435035      DIN 01493737

## ANNEXURE TO BOARD'S REPORT

**ANNEXURE 7a TO BOARD'S REPORT**

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The details of remuneration of each Director and KMP during the Financial Year 2015-16 and the percentage increase in remuneration of each Director and KMP, ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2015-16 and the comparison of remuneration of each KMP against the performance of the Company are as follows:

Name of the Director / KMP	Remuneration of Director/ KMP for the F.Y. 2015-16	% increase in Remuneration in the F.Y. 2015-16	Ratio of Remuneration of each director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company	Remuneration of Director / KMP for the F.Y. 2014-15
Mr. K. J. Joseph	1.20	(25.00)	0.65		1.60
Mr. Thomas John	1.50	(6.25)	0.82		1.60
Mr. V. A. George	42.00	2.59	22.83	Profit before tax increased by 1% and Profit after tax increased by 2% in Financial Year 2015-16	40.94
Mr. Manoj Joseph	33.83	29.77	18.39		26.07
Mr. Rajesh John	23.16	7.17	12.59		21.61
Mr. N. Ganga Ram	2.00	(16.67)	1.09		2.40
Mr. V. K. Srivastava	1.00	(47.37)	0.54		1.90
Mr. A. Satyaseelan	1.90	(9.52)	1.03		2.10
Mr. M. P. Vijay Kumar	2.00	(16.67)	1.09		2.40
Dr. C. N. Ramchand	1.20	9.09	0.65		1.10
Mrs. Sujatha Jayarajan#	0.60	200.00	0.33		0.20
Mr. M. D. Ravikanth	20.99	6.27	Not Applicable	Profit before tax increased by 1% and Profit after tax increased by 2% in Financial Year 2015-16	19.78

# During the financial year 2014-15, Mrs. Sujatha Jayarajan was appointed as Additional Director with effect from 06<sup>th</sup> March, 2015.

- ii. The median remuneration of employees of the Company for the Financial Year was ₹ 1.84 lakhs.
- iii. There was an increase of 2% in the median remuneration of employees in the Financial Year.
- iv. There were 1,392 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016.
- v. Relationship between average increase in remuneration and company performance: Profit before tax increased by 1% in the Financial Year 2015-16, whereas the Company retained the talented employees with an average increase in remuneration of 22% in line with Company's Policy considering the lower percentage of increase in remuneration given in the previous year.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel has increased by about 4% from ₹ 60.72 lakhs in 2014-15 to ₹ 62.99 lakhs in 2015-16 and the Profit before tax has increased by about 1% in the Financial Year 2015-16.

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**ANNEXURE TO BOARD'S REPORT**

- vii. Variations in the market Capitalisation: The market capitalisation as at 31<sup>st</sup> March, 2016 was ₹ 6,592.42 lakhs (₹ 6,695.43 lakhs as at 31<sup>st</sup> March, 2015)
- viii. Price earnings ratio of the Company were 11.79X as at 31<sup>st</sup> March, 2016 and 12.25X as at 31<sup>st</sup> March, 2015.
- ix. The Closing price of the Company's equity share on the NSE Emerge Platform as of 31<sup>st</sup> March, 2016 was ₹ 192, which was lower by 4.48% than the IPO Price of ₹ 201, adjusted for the issue of bonus shares.
- x. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2015-16 was 28% whereas the managerial remuneration increased by 11.70% (from ₹ 88.62 lakhs in 2014-15 to ₹ 98.99 lakhs in 2015-16).
- xi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Compensation / Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xii. During the Financial Year, no employee received remuneration in excess of the highest-paid Director.
- xiii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

***ANNEXURE 7b TO BOARD'S REPORT***

**STATEMENT OF PARTICULARS OF EMPLOYEES:**

During the Financial Year, no employee received remuneration in excess of the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 8 TO BOARD'S REPORT****CORPORATE GOVERNANCE REPORT****I. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's Code of Corporate Governance permeates in all aspects of its working and towards maximizing the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The code of conduct and governance lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has taken several initiatives towards maintaining good corporate governance system. The Audit Committee and the Compensation / Nomination and Remuneration Committee of the Board consist wholly of Independent Directors.

The Company has norms in line with the provisions of the Companies Act, 2013 and has ensured effective Corporate Governance practices and timely disclosure of information to the Members.

The Company has adopted various codes and policies which include Code for Board of Directors and Senior Managers, Code of Conduct to regulate, monitor and report trading by Insiders, Code of practices and procedures for fair disclosure of unpublished price sensitive information, Whistle Blower Policy, Policy on Prevention of Sexual Harassment in the Workplace, Corporate Social Responsibility Policy and Risk Management Policy.

**II. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of optimum combination of Executive and Non-Executive Directors. As at 31<sup>st</sup> March, 2016, the Company's Board had 11 Directors, of which three were Executive Directors, two were Non-executive Non-independent Directors and six Independent Directors. The composition of the Board and category of Directors were as follows:

<b>Category</b>	<b>Name of Director &amp; Designation</b>	<b>DIN</b>
Promoters & Non-executive Directors	Mr. K.J. Joseph, Chairman	00434410
	Mr. Thomas John, Vice Chairman	00435035
Executive Directors	Mr. V.A. George, Managing Director	01493737
	Mr. Manoj Joseph, Whole-time Director	00434579
	Mr. Rajesh John, Whole-time Director	05161087
Independent Directors	Mr. N. Ganga Ram, Independent Director	00001246
	Mr. V.K. Srivastava, Independent Director	00611678
	Mr. A. Satyaseelan, Independent Director	05158896
	Mr. M.P. Vijay Kumar, Independent Director	05170323
	Dr. C.N. Ramchand, Independent Director	05166709
	Mrs. Sujatha Jayarajan, Independent Director	00633989

### ANNEXURE TO BOARD'S REPORT

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31<sup>st</sup> March, 2016 were as under -

Sl. No.	Name of the Director	Number of Directorship held in other Companies	Number of Board Committee Memberships / Chairmanships held in other Companies	
			Membership	Chairmanship
1	Mr. K.J. Joseph	Nil	Nil	Nil
2	Mr. Thomas John	Nil	Nil	Nil
3	Mr. V.A. George	1	Nil	Nil
4	Mr. Manoj Joseph	Nil	Nil	Nil
5	Mr. Rajesh John	Nil	Nil	Nil
6	Mr. N. Ganga Ram	3	2	2
7	Mr. V.K. Srivastava	Nil	Nil	Nil
8	Mr. M.P. Vijay Kumar	Nil	Nil	Nil
9	Mr. A. Satyaseelan	Nil	Nil	Nil
10	Dr. C.N. Ramchand	Nil	Nil	Nil
11	Mrs. Sujatha Jayarajan	1	2	Nil

#### Notes:

- 1) None of the Directors hold chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten.
- 2) For the purpose of reckoning the ceiling, Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered and Directorship in Private Limited Companies, Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013 has not been considered.
- 3) Excluding Directorship in Thejo Engineering Limited and its subsidiaries.

#### Relationship between Directors

None of the Directors have any family relationships between them, save and except Mr. K.J. Joseph and Mr. Manoj Joseph as father and son and Mr. Thomas John and Mr. Rajesh John also as father and son.

#### Shareholding of Directors

None of the Directors have any shareholding in our Company as on 31<sup>st</sup> March, 2016 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. K.J. Joseph	3,55,380	10.35
2	Mr. Thomas John	4,75,660	13.85
3	Mr. V.A. George	50,000	1.46
4	Mr. Manoj Joseph	1,65,860	4.83
5	Mr. Rajesh John	1,50,540	4.38

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**ANNEXURE TO BOARD'S REPORT**
**Meetings and Attendance****Attendance of Directors at Board Meetings and Annual General Meeting (AGM)**

During the year, the Board met 5 times. The meetings of the Board of Directors were held on 07<sup>th</sup> April, 2015, 27<sup>th</sup> May, 2015, 26<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 07<sup>th</sup> March, 2016. The attendance of each Director at the Board Meetings and at the last Annual General Meeting is as under:

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last Annual General Meeting held on 26th August, 2015
1	Mr. K.J. Joseph	5	4	Yes
2	Mr. Thomas John	5	5	Yes
3	Mr. V.A. George	5	5	Yes
4	Mr. Manoj Joseph	5	4	Yes
5	Mr. Rajesh John	5	5	Yes
6	Mr. N. Ganga Ram	5	5	Yes
7	Mr. V.K. Srivastava	5	3	Yes
8	Mr. M.P. Vijay Kumar	5	5	Yes
9	Mr. A. Satyaseelan	5	5	Yes
10	Dr. C.N. Ramchand	5	4	Yes
11	Mrs. Sujatha Jayarajan	5	3	Yes

**III. COMMITTEES****i) Audit Committee**

The Audit Committee of the Board of Directors was constituted on 16<sup>th</sup> January, 2012. The Committee consists of three Independent Directors. The status of the Independent Directors and attendance at the meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. M.P. Vijay Kumar	Independent Director, Chairman	4	4
2	Mr. N. Ganga Ram	Independent Director, Member	4	4
3	Mr. A. Satyaseelan	Independent Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 27<sup>th</sup> May, 2015, 26<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 07<sup>th</sup> March, 2016.

**Terms of Reference**

The principal terms of reference of the Audit Committee are as follows:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

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**ANNEXURE TO BOARD'S REPORT**

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the Financial Statements arising out of audit findings, compliance with listing and other legal requirements relating to Financial Statements.
    - e. Disclosure of any related party transactions.
    - f. Qualifications in the draft audit report.
  5. Reviewing, with the Management, the half-yearly Financial Statements before submission to the Board for approval.
  6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
  7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with Internal Auditors any significant findings and follow-up thereon.
  10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism.
  14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
  15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
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**ANNEXURE TO BOARD'S REPORT**

16. To review the following information:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
17. Any other terms of reference as contained in the Companies Act, 2013.

**Other information**

Executives from Accounts, Finance and Secretarial Departments and representatives of statutory and internal auditors attend Audit Committee Meetings.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 26<sup>th</sup> August, 2015

**ii) Compensation / Nomination and Remuneration Committee**

The Compensation / Nomination and Remuneration Committee of the Board was formed on 16<sup>th</sup> January, 2012 and the Committee consists of three Independent Directors. The Committee was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27<sup>th</sup> May, 2015. The status of the Independent Directors and attendance at the meeting were as follows:

S. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. N. Ganga Ram	Independent Director, Chairman	1	1
2	Mr. V.K. Srivastava	Independent Director, Member	1	1
3	Mr. M.P. Vijay Kumar	Independent Director, Member	1	1

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board was held on 27<sup>th</sup> May, 2015.

**Terms of Reference**

The terms of reference of the Compensation / Nomination and Remuneration Committee include the following:

- Recommending / reviewing remuneration of the Managing Director and Whole-time Directors as also of Non-executive Directors based on their performance and defined assessment criteria;
  - Determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
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### ANNEXURE TO BOARD'S REPORT

3. Determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
4. Identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
5. Reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
6. Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
7. Determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
8. Evaluating each Director's performance and performance of the Board as a whole;
9. Carrying out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

#### **Directors' Appointment Criteria / Policy**

The Board of Directors is collectively responsible for selection of a Member on the Board. The Compensation / Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;
7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

#### **Remuneration Policy**

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.
2. The appointment and remuneration of the Executive Directors, Key Managerial Personnel and Senior Management are by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance.

## ANNEXURE TO BOARD'S REPORT

Details of Remuneration paid to the Directors for the year 2015-16 were as follows:

₹ in lakhs

Name of Director	Sitting Fee <sup>1</sup>	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
<b>Promoters / Non-executive Directors</b>					
Mr. K.J. Joseph	1.20	-	-	-	1.20
Mr. Thomas John	1.50	-	-	-	1.50
<b>Executive Directors</b>					
Mr. V.A. George	-	42.00	-	-	42.00
Mr. Manoj Joseph	-	28.11	5.72	-	33.83
Mr. Rajesh John	-	19.19	3.97	-	23.16
<b>Independent Directors</b>					
Mr. N. Ganga Ram	2.00	-	-	-	2.00
Mr. V.K. Srivastava	1.00	-	-	-	1.00
Mr. A. Satyaseelan	1.90	-	-	-	1.90
Mr. M.P. Vijay Kumar	2.00	-	-	-	2.00
Dr. C.N. Ramchand	1.20	-	-	-	1.20
Mrs. Sujatha Jayarajan	0.60	-	-	-	0.60

**Note:**

1. Excludes Service Tax Paid on Sitting Fees under Reverse Charge by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company except services rendered in professional capacity. The Company has not granted any stock option to any of its Non-Executive Directors.

**Directors' Tenure details:**

Executive Directors	Tenure of Office	Notice Period	Performance Linked Incentive	Severance Fees
Mr. V.A. George	15 <sup>th</sup> July, 2013 to 14 <sup>th</sup> July, 2018	Not Applicable	Nil	Nil
Mr. Manoj Joseph <sup>1</sup>	20 <sup>th</sup> June, 2015 to 19 <sup>th</sup> June, 2020	Not Applicable	Nil	Nil
Mr. Rajesh John <sup>2</sup>	16 <sup>th</sup> January, 2012 to 15 <sup>th</sup> January, 2017	Not Applicable	Nil	Nil

**Notes:**

1. During the year, Mr. Manoj Joseph was re-appointed as a whole-time Director for a period of five years commencing from 20<sup>th</sup> June, 2015.
2. The Board of Directors at their Meeting held on 30<sup>th</sup> May, 2016, recommended the re-appointment of Mr. Rajesh John as a whole-time director for a period of five years commencing from 16<sup>th</sup> January, 2017, subject to the approval of the Members at the ensuing Annual General Meeting.

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**ANNEXURE TO BOARD'S REPORT**
**iii) Shareholders' and Investors' Grievance Committee**

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16<sup>th</sup> January, 2012, and the Committee consists of four Directors. The status of the Directors and their attendance at the meetings were as follows:

S. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Dr. C.N. Ramchand	Independent Director, Chairman	4	3
2	Mr. V. K. Srivastava	Independent Director, Member	4	2
3	Mr. K.J. Joseph	Promoter & Non-executive Non-Independent Director, Member	4	3
4	Mr. Thomas John	Promoter & Non-executive Non-Independent Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Shareholders' and Investors' Grievance Committee of the Board of Directors were held on 27<sup>th</sup> May, 2015, 26<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 07<sup>th</sup> March, 2016.

**Terms of Reference**

The terms of reference of the Shareholders' and Investors' Grievance Committee, include the oversight and review of all matters connected with the transfer of securities of the Company, approval of the issue of duplicate certificate, monitoring redressal of investors / shareholder grievances related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividend. The Committee has to monitor the performance of Registrar and Share Transfer Agent, recommend methods to upgrade the standard of services to the investors, and monitor implementation of and compliance with the Code of Conduct to regulate, monitor and report trading by Insiders.

**Name and designation of Compliance Officer**

Mr. M.D. Ravikanth, CFO & Secretary, is the Compliance Officer of the Company.

**Investor Grievance Redressal:**

During the Financial Year 2015-16, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31<sup>st</sup> March, 2016.

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**ANNEXURE TO BOARD'S REPORT**
**IV. GENERAL BODY MEETINGS****(i) Details of last three Annual General Meetings held**

The dates and times of the Annual General Meetings held during the preceding three years and the details of Special Resolution(s) passed are as follows:

<b>Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Special Resolutions Passed</b>
2014-15	26 <sup>th</sup> August, 2015	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	1) Alteration of Memorandum of Association of the Company. 2) Approval for Employee Stock Option Plan and grant of Employee Stock Options. 3) Approval for the grant of Employee Stock Options to the employees of the subsidiary companies.
2013-14	25 <sup>th</sup> August, 2014	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Alteration of Memorandum of Association of the Company
2012-13	30 <sup>th</sup> August, 2013	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Payment of commission to the Non-executive Directors

**(ii) Special Resolution, if any, passed through postal ballot with details of voting pattern:**

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2015-16.

**(iii) Special Resolution proposed to be conducted through postal ballot:**

None of the business proposed to be transacted in the ensuing Annual General Meeting requires Special Resolution through postal ballot.

**V. DISCLOSURES****A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Issuer at large.**

None of the related party transactions was in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 25.5 of the Financial Statements.

**B. Details of non-compliance by the Issuer, penalties, and strictures imposed on the Issuer by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with all the laws relating to Capital Markets; hence there is no non-compliance by the Company in this regard. No penalties / strictures have been imposed by Stock Exchange or SEBI or any statutory authority relating to capital markets during the last three years.

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**ANNEXURE TO BOARD'S REPORT**
**C. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has formulated and implemented the Whistle Blower Policy ("the Policy") and the Policy has been disseminated to all the employees through display on Notice Board and website.

The Policy provides for a mechanism to all the employees of the Company, who are free to report to the designated Whistle Blower Committee if there is any violation of laws, rules, regulations or any alleged wrongful conduct.

It is further affirmed that no personnel has been denied access to the Audit Committee.

**Compensation / Nomination and Remuneration Committee**

As already stated, the Company has constituted Compensation / Nomination and Remuneration Committee and it consists of three Independent Directors. The main function of the Committee is to recommend the Policy on Directors' appointment and Remuneration to Directors, Key Managerial Personnel and Senior Management and to review/recommend the remuneration of the Managing Director, Whole-time Directors and Non-Whole-time Directors based on their performance and defined assessment criteria.

**Corporate Social Responsibility Committee**

As per Section 135 of the Companies Act, 2013, all Companies having a net worth of ₹ 500 Crore or more or turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any Financial Year are required to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors at least one of whom shall be Independent Director. Accordingly, the Board constituted the CSR Committee on 20<sup>th</sup> May, 2014. The status of the Directors and their attendance at the meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. V. K. Srivastava	Independent Director, Chairman	1	1
2	Mr. K.J. Joseph	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
4	Mr. V.A. George	Managing Director, Member	1	1

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee of the Board of Directors was held on 26<sup>th</sup> August, 2015.

The terms of reference of the CSR Committee include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Such other functions as may specified by the Companies Act, 2013 from time to time.

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## ANNEXURE TO BOARD'S REPORT

### Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Accordingly, the meeting of Independent Directors, without attendance of non-Independent Directors and members of the Management, was held on 07<sup>th</sup> March, 2016 and it reviewed the performance of the Chairperson, non-Independent Directors and the Board as a whole as also the flow of information between the Company Management and the Board.

### Audit Qualifications

The Financial Statements of the Company for the Financial Year 2015-16 are unqualified.

### Training of Board Members

Periodic presentations are made at the Board Meeting about the business model, performance update of the Company, business strategy and risks involved.

### WHISTLE BLOWER POLICY

The Company has adopted the Whistle Blower Mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of law and it provides for a mechanism for employees to report to the designated Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### Designated Exclusive email-id

The Company has designated exclusive email-id for investor servicing, viz., [investor@thejo-engg.com](mailto:investor@thejo-engg.com)

## VI. MEANS OF COMMUNICATION

### (i) Half-yearly Results

The half-yearly results of the Company are submitted to the Stock Exchange in accordance with the SME / Uniform Listing Agreement and these results are displayed on the Stock Exchange website.

### (ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "www.thejo-engg.com" immediately after its submission to the Stock Exchange.

## VII. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting (Day, Date, Time and Venue)

Wednesday, 3<sup>rd</sup> August, 2016 at 10.00 AM

The Music Academy, Kasturi Srinivasan Hall (Mini Hall)

New No. 168 (Old No. 306), T.T.K Road,

Royapettah, Chennai – 600 014, Tamil Nadu, India.

**Financial Year:** April to March

**Date of Book Closure:** Friday, 29<sup>th</sup> July, 2016 to Monday, 1<sup>st</sup> August, 2016 (both days inclusive) for payment of dividend.

**Dividend Payment:** Credit / Dispatch of dividend warrants will be completed on or before 24<sup>th</sup> August, 2016.

## ANNEXURE TO BOARD'S REPORT

## Listing on Stock Exchanges &amp; Stock Code:

Shares	Code	Stock Exchanges
EQUITY SHARES LISTED UNDER CONTINUOUS MARKET	THEJO	National Stock Exchange of India Limited - SME Platform (NSE Emerge) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol – THEJO – SM ISIN : INE121N01019

**Note:** Annual listing fees have been duly paid to the National Stock Exchange of India Ltd. (NSE) and no amount is outstanding as on date.

## Market Price Data:

in ₹ per share

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price	Month's Low Price
April 2015	210.00	190.00
May 2015	190.00	190.00
June 2015	200.00	190.00
July 2015	211.10	190.00
August 2015	210.00	192.00
September 2015	191.00	180.00
October 2015	170.00	126.00
November 2015	200.00	131.00
December 2015	195.00	163.00
January 2016	199.00	161.00
February 2016	N.A. <sup>1</sup>	N.A. <sup>1</sup>
March 2016	200.00	160.00

**Note:**

1. There was no trading in the equity shares of the Company during the month of February 2016.

**Performance in comparison to broad-based indices:** Not Applicable, since NSE - SME Index is yet to be launched by NSE.

**Registrar and Transfer Agents :**

Cameo Corporate Services Limited,  
Subramanian Building,

No.1, Club House Road, Chennai 600 002.

Tel: +91 44 2846 0390, Fax: +91 44 2846 0129

Website: <http://www.cameoindia.com>

SEBI Registration INR 000003753



## ANNEXURE TO BOARD'S REPORT

**Share Transfer System:** The power to transfer shares has been delegated to the Registrar and Transfer Agents, Cameo Corporate Services Limited, subject to completion of transfer of physical shares within the time frame as prescribed under the applicable laws.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2016:**

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	8	3.42	6,000	0.02
5,001	10,000	157	67.09	9,42,000	2.74
10,001	20,000	26	11.11	3,70,000	1.08
20,001	30,000	8	3.42	2,10,000	0.61
30,001	40,000	1	0.43	36,000	0.10
40,001	50,000	1	0.43	42,000	0.12
50,001	1,00,000	4	1.71	2,46,000	0.72
1,00,001	Above	29	12.39	3,24,83,520	94.61
<b>Total</b>		<b>234</b>	<b>100.00</b>	<b>3,43,35,520</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	19,65,240	57.24
B	Non-Promoters' Holding		
	Venture Capital Funds	5,65,472	16.47
	Bodies Corporate	2,41,200	7.03
	Individuals	6,51,390	18.97
	Hindu Undivided Family	9,050	0.26
	Non-Resident Indians	1,200	0.03
	<b>Total</b>	<b>34,33,552</b>	<b>100.00</b>

**Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2016:**

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	28,08,920	81.81
2	CDSL	5,03,952	14.68
3	Physical	1,20,680	3.51
	<b>Total</b>	<b>34,33,552</b>	<b>100.00</b>

*Equity Shares of the Company are regularly traded on NSE-SME Exchange.*

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**ANNEXURE TO BOARD'S REPORT**

**Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not Applicable

**Plant Locations and Research & Development Centre:**

1	Unit – I & IV situated at, Survey No.176/3, 181/5 & 181/6A, Jagannathapuram Road, Irulipattu Village, Alingivakkam Post, Ponneri Taluk, Chennai – 600 067.	2	Unit – II situated at, Survey No. 101/5C & 101/5D Jagannathapuram Road, Athipedu Village, Ponneri Taluk, Chennai – 600 067.
3	Unit – III situated at, Survey No. 100/5, Athipedu Village, Jagannathapuram Road, Ponneri Taluk, Chennai – 600 067.	4	PU Division situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Alingivakkam Post, Ponneri Taluk, Chennai – 600 067.
5	Lining Division situated at, Survey No. 234/2C Jagannathapuram-II, Ponneri Taluk, Tiruvallur District, Chennai – 600 067.	6	Research & Development centre situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Ponneri Taluk, Chennai – 600 067.

**Investor Contacts**

**Company Secretary and Compliance Officer**

Mr. M.D. Ravikanth,  
VDS House, 41, Cathedral Road,  
Chennai 600 086, Tamil Nadu, India.  
Tel: + 91 44 4222 1900.  
Fax: + 91 44 4222 1910.  
E-mail:investor@thejo-engg.com

**Registrar and Share Transfer Agents**

Cameo Corporate Services Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai 600 002, Tamil Nadu, India.  
Tel: +91 44 2846 0390.  
Fax: +91 44 2846 0129.  
Website: <http://www.cameoindia.com>  
SEBI Registration No. INR 000003753

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**ANNEXURE TO BOARD'S REPORT**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To The Members of THEJO ENIGNEERING LIMITED

I hereby declare that all the Board Members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

For Thejo Engineering Limited

Place : Chennai  
Date : 30<sup>th</sup> May, 2016

V.A. GEORGE  
Managing Director  
DIN 01493737

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**CEO AND CFO CERTIFICATION**

The Board of Directors  
Thejo Engineering Limited  
Chennai

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Thejo Engineering Limited for the year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

- (i) that there are no significant changes in internal control over financial reporting during the year;
- (ii) that there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

For Thejo Engineering Limited

Place : Chennai  
Date : 30<sup>th</sup> May, 2016

M.D. RAVIKANTH  
CFO & Secretary

V.A. GEORGE  
Managing Director  
DIN 01493737